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HASKELL & STERN ASSOCIATES, INC.

529 FIFTH AVENUE • NEW YORK, N. Y. 10017

212-687-7292

4/5 GROSVENOR PLACE
LONDON SW1X 7HJ

Survey of Fortune 1000 Human Resource Department Heads September, 1979

Haskell and Stern Associates, Inc. survey of Human Resource Department Heads, conducted among the Fortune 1000 companies, has produced a number of interesting results.

Most interesting, perhaps, is the finding that Human Resource managers predict that General Management positions will be the most difficult to fill in the 80's.

Holding a close second is the need for people in the Engineering, Computer Sciences and Technology areas.

Besides the difficulties in supplying their companies' personnel needs, these managers were faced with a multitude of new problems that have accompanied the new decade. Most frequently mentioned as a major problem is the need for increased attention to management sucession planning, including such functions as strengthening management development, management information systems, appraisal procedures and the like. For the entire sample, 40 percent of the respondents rank this as first, second or third in importance among the problems of the 80's, with 21 percent mentioning it as No. 1 in importance.

Government Regulation followed as a most important problem in the 80's with 31 percent ranking it somewhere within the first to third in importance.

Least important was the issue of executive compensation with only 1 percent considering it most important and 9 percent ranking it in the 1-3 range.

The complexity of problems faced by Human Resource Managers is reflected in the increase in the importance of the function generally. When asked what signs were indicative of the recent increased importance of the Human Resource Function, respondents mentioned an average of four indicators.

The most dramatic indicator was that the Human Resource manager spent more time with higher ranking management. Working more closely with Chief Operating Manaers was mentioned most often, by 55 percent of the respondents. Spending more time with CEOs, and being invited to more organizational meetings, were both mentioned by about 52 percent of the respondents.

Fully one third of the respondents saw the result of this increased importance on the bottom line. They reported a higher salary level for themselves in relation to other staff positions.

Speaking of the bottom line, when asked how they perceived top management's view of their effect on it, Human Resource Department Heads responded in the following manner: 52 percent said they were viewed as having a strong effect; and 54 percent as having some effect. Only 3 percent admitted being viewed as having little effect.

These perceptions are closely related to their compensations. The reported salaries for the Fortune 1-250 ranged from $40,000 to $250,000 with an average of $117,000.

Fortune 250-500 companies reported salaries ranging from $36,000 to $140,000 with an average response around $77,000.

The 500-750 companies reported a range from $34,000 to $110,000 with an average response of $65,000.

Fortune 750-1000 companies ranged from $17,700 to $105,000, with an average response of $51,000.

Another indicator of the amount of importance attached to the function is the amount of participation among Human Resource Department Heads in the planning process of the entire organization. Sixty four percent reported being involved in the setting of overall strategies, goals, and objectives for the company.

In addition to the responses mentioned above, there were several other areas of special interest. Attached is the Tabulation of Results of the Questionnaire. The results are divided into four groups according to rank in the Fortune 1000. These questionnaire results should provide more insights into the rapidly changing Human Resource function.

SURVEY RESULTS

OF

HUMAN RESOURCE DEPARTMENT HEADS

SEPTEMBER 1979

1. Is your Human Resource Department:

   A. Centralized and Coordinated in corporate headquarters
   B. Decentralized, with each operating unit handling its own programs
   C. Other

	Fortune 1-250	Fortune 250-500	Fortune 500-750	Fortune 750-1000	Total
A.	57	44	52	37	190
B.	36	15	19	13	83
C.	7	8	4	2	21

2. How does top management view the effect of your Human Resource Department on the bottom line?

   A. Stong effect
   B. Some effect
   C. Little effect
   D. No effect

	Fortune 1-250	Fortune 250-500	Fortune 500-750	Fortune 750-1000	Total
A.	47	33	31	21	132
B.	38	26	30	22	116
C.	2	0	3	3	8
D.	0	0	0	0	0

3. To what extent has the increased emphasis on the Human Resource function been caused by increased government regulation? (Example: ERISA, EEO)

   A. Tremendous Effect
   B. Large Effect
   C. Moderate Effect
   D. Little or no effect

	Fortune 1-250	Fortune 250-500	Fortune 500-750	Fortune 750-1000	Total
A.	12	6	7	4	29
B.	50	35	27	23	135
C.	23	17	22	18	80
D.	1	1	5	2	9

4. How do you think the pace of government regualtion will change over the next 5 years?

   A. Increase
   B. Decrease
   C. No change

	Fortune 1-250	Fortune 250-500	Fortune 500-750	Fortune 750-1000	Total
A.	63	40	47	33	183
B.	8	5	5	4	22
C.	16	14	10	8	48

5. What are the major issues and/or problems that you view as the most important for the decade of the 1980's? (rank top three)

   A. Government regulation -EEO compliance, change in retirement law, etc.
   B. Executive compensation - new alternatives; relocation packages, etc.
   C. Management succession planning - strengthening management development; management information systems; appraisal procedures; career counseling.
   D. Employee benefits - cost containment of health plans, ERISA, etc.
   E. Meeting and integrating the company's new needs in areas of expansion or diversification; addressing the impact of increased international activity.
   F. Inflation
   G. Other

Fortune 1-250

	1	2	3	Total
A.	8	16	14	38
B.	2	2	5	9
C.	23	15	7	45
D.	3	5	12	20
E.	4	7	7	18
F.	9	9	9	27
G.	7	5	4	16

Fortune 250-500

1	2	3	Total
2	12	7	21
1	1	3	5
18	7	5	30
0	6	8	14
3	5	6	14
1	3	4	18
2	3	0	5

Fortune 500-750

	1	2	3	Total
A.	4	7	6	17
B.	2	0	5	7
C.	12	12	3	27
D.	1	4	9	14
E.	3	8	6	17
F.	13	3	5	21
G.	0	2	2	4

Fortune 750-1000

1	2	3	Total
5	4	5	14
0	1	3	4
10	3	3	16
1	9	4	14
0	1	5	6
9	4	3	16
0	2	1	3

FORTUNE 1000 TOTALS

A	B	C	D	E	F	G
90	25	118	62	55	82	28

6. Compensation

A. What is your present total compensation?
B. What was the total compensation for your position 5 years ago?
C. What do you think the total compensation for your position will be 5 years from now?

	Fortune 1-250	Fortune 250-500	Fortune 500-750	Fortune 750-1000
A.	$117,000	$ 77,000	$45,000	$51,000
B.	72,000	46,000	41,000	33,000
C.	165,000	110,000	91,000	72,000

7. To whom do you report?

A. Chairman
B. President
C. CEO
D. COO
E. Vice Chairman
F. Executive Vice President
G. Senior Vice President
H. Administrative Vice President
I. Other

	Fortune 1-250	Fortune 250-500	Fortune 500-750	Fortune 750-1000	Total
A.	11	13	8	5	37
B.	20	23	22	32	97
C.	28	18	19	13	78
D.	2	6	2	0	10
E.	2	2	1	0	5
F.	13	9	11	2	34
G.	11	6	3	1	21
H.	9	6	5	3	24
I.	4	0	9	0	4

8. Do you participate in the planning process for your entire organization? (Setting strategies, goals, objectives)

	Fortune 1-250	Fortune 250-500	Fortune 500-750	Fortune 750-1000	Total
YES	70	39	45	33	187
NO	15	18	18	13	64

9. What signals are there in your company that top management is placing gretater emphasis on the Human Resource function today than it did five years ago?

A. Invited to more organizational meetings.
B. Spend more time with CEO
C. Required to sumbit formal departmental plans
D. Report to a higher level manager
E. More prestigious title for department head (you)
F. Departmental budget increased
G. Larger department staff
H. Higher salary for you in relation to other staff positions
I. Work closely with chief operating managers
J. Invited to sit on corporate policy committees

	Fortune 1-250	Fortune 250-500	Fortune 500-750	Fortune 750-1000	Total
A.	51	37	36	30	154
B.	57	39	39	28	163
C.	30	24	22	14	90
D.	15	9	12	10	46
E.	32	15	12	11	70
F.	50	27	24	18	119
G.	43	29	30	17	115
H.	34	25	19	19	97
I.	64	41	43	35	183
J.	56	32	1	26	115

10. In your opinion, which of the following functions will be the hardest to fill with qualified manpower in the 1980's (Rank top three)

A. General Management
B. Professional and Legal
C. Marketing and Sales
D. Financial
E. Engineering
F. Technology specialists and Computer Sciences
G. Human Resources
H. Other

Fortune 1-250

	1	2	3	Total
A.	42	10	10	52
B.	1	6	6	13
C.	0	6	9	15
D.	0	4	9	13
E.	11	23	19	53
F.	17	14	11	42
G.	2	7	19	28
H.	1	3	3	7

Fortune 250-500

	1	2	3	Total
A.	29	4	11	44
B.	1	2	3	6
C.	4	4	2	10
D.	0	4	7	11
E.	4	18	9	31
F.	13	7	15	35
G.	1	11	5	17
H.	0	3	0	3

Fortune 500-750

	1	2	3	Total
A.	25	12	6	42
B.	1	2	5	8
C.	5	2	4	11
D.	0	4	8	12
E.	12	17	6	35
F.	14	13	12	39
G.	1	6	12	19
H.	1	0	2	3

Fortune 750-100

	1	2	3	Total
A.	18	6	6	30
B.	0	4	5	9
C.	0	3	3	6
D.	0	4	6	10
E.	10	10	4	24
F.	10	7	7	24
G.	1	5	8	14
H.	2	1	1	4

FORTUNE 1000 TOTALS

A.	B.	C.	D.	E.	F.	G.	H.
179	36	42	46	143	140	78	17